



FAIR POLITICAL PRACTICES COMMISSION

428 J Street • Suite 620 • Sacramento, CA 95814-2329
(916) 322-5660 • Fax (916) 322-0886

To: Chair Ravel and Commissioners Eskovitz, Garrett, Montgomery, and Rotunda
From: Tara Stock, Legislative Coordinator
Subject: Legislative Report
Date: March 26, 2012

Below are summaries of ongoing legislative proposals that amend the Political Reform Act (Act) and/or affect the Commission, as well as bill positions as recommended by staff.

Ongoing Legislation – Position Previously Adopted by Commission

AB 41 (Hill)

High Speed Rail Authority Members – Disqualification

Existing Law

The Act requires that certain public officials (specified in Section 87200) who have a financial interest in a governmental decision publicly identify the financial interest giving rise to the conflict of interest, recuse themselves from discussing and voting on the matter, and leave the room until after the discussion, vote and other disposition of the matter is concluded.

Proposed Law

This bill would add members of the High Speed Rail Authority to the officials specified in Section 87200 who are required to follow the conflict of interest disqualification procedures.

Commission Position: Support (adopted at February 11, 2011 hearing)

Status: Senate Floor

Ongoing Legislation – Positions Not Yet Adopted by Commission

SB 31 (Correa)

Post-Employment Restrictions – Local Officials

Existing Law

Specified local officials (elected officials, chief administrative officers of a county, city managers, or general managers or chief administrators of a special district) may not, for a period of one year after leaving that office or employment, act as agent or attorney for, or otherwise represent, for compensation, any other person by appearing before or communicating with that local government agency, if the appearance or communication is to influence administrative or legislative action or influence any action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, grant, or contract, or the sale or purchase of good or property.

Proposed Law

This bill would add “other public officials serving as members of local governing boards or commissions with decisionmaking authority” to the specified officials subject to the one year post-employment restrictions.

Status: Assembly

Estimated Fiscal Impact: \$182,000

Staff Recommended Position: Support if funded

This bill would bring more consistency to the Act’s “revolving door” provisions, and would further the purposes of the Act by seeking to ensure public decisions are made in the public interest, rather than an official’s private interest.

SB 1001 (Yee)

Lobbyist Registration Fees

Existing Law

The Secretary of State may charge each lobbying firm and lobbyist employer a fee of up to \$25 per year for each lobbyist required to be listed on its registration statement.

Proposed Law

This bill would increase the maximum annual registration fee to \$50 per year and require the Commission to adjust the fee on December 1 of each even-numbered year to reflect any increase in the Consumer Price Index.

Status: Senate Committee on Elections, Reapportionment and Constitutional Amendments

Estimated Fiscal Impact: Minor/absorbable

Staff Recommended Position: Neutral

If the fees collected by the Secretary of State’s office are used to upgrade their current electronic filing system, which will increase transparency, staff would be supportive of this proposal.

SB 1296 (Fuller)

Ballot Pamphlets

Existing Law

Upon receipt of a draft of a petition for a proposed initiative or referendum, the Attorney General is required to prepare a title and summary of the proposed measure. If the Attorney General determines that a proposed measure would affect state or local revenues or expenditures, he or she must include in the title either the estimate or an opinion as to whether a substantial net change in state or local finances would result if the proposed initiative is adopted. The Department of Finance and the Joint Legislative Budget Committee jointly prepare the fiscal estimate that may be included in the title.

Proposed Law

This bill would require the Legislative Analyst, instead of the Attorney General, to prepare the ballot title and summary for all measures submitted to the voters. And, the Legislative Analyst, instead of the Department of Finance and the Joint Legislative Budget Committee, would be required to prepare any fiscal estimate or opinion required by a proposed initiative measure.

Status: Senate Committee on Elections, Reapportionment and Constitutional Amendments

Estimated Fiscal Impact: Minor/absorbable

Staff Recommended Position: Neutral

This measure does not directly affect the Commission’s duties. Although this proposal amends a section of the Act, the affected section is included in Chapter 8, which contains requirements for the state ballot pamphlet and expressly states that it is the responsibility of the Secretary of State to prepare the state ballot statement. Chapter 8 of the Act includes the requirements for the contents, format, printing specifications, etc., of the state ballot pamphlet and the provisions parallel provisions in the Elections Code.

SB 1426 (Blakeslee) – spot bill

Committee

This bill in its current form makes nonsubstantive changes to the Act's definition of "committee."

Status: Senate

Estimated Fiscal Impact: Minor/absorbable

Staff Recommended Position: None

This proposal currently does not contain substantive language.

SB 1553 (Lowenthal)

City of Long Beach – Pilot Program for Electronic Filing of Campaign Statements

Existing Law

The Act requires elected officers, candidates for elective office, and campaign committees to file campaign statements. City officers, candidates for elective office, and campaign committees file the required campaign statements with the clerk of the city.

Proposed Law

This bill would create a pilot program for the 2013 and 2014 reporting periods that authorizes the City of Long Beach to permit city elected officers (and candidates), their controlled committees, committees formed primarily to support or oppose a city candidate or ballot measure, and city general purpose committees to file electronically. The City of Long Beach would be required to prepare a report, including specified information, to submit to the Commission by July 1, 2015. The Commission would be required to submit the report and any comments about the report to the Legislative Analyst's Office by August 15, 2015, and the Legislative Analyst's Office would be required to provide a report to the Legislature evaluating the pilot program by February 1, 2016.

Status: Senate

Estimated Fiscal Impact: Minor/absorbable

Staff Recommended Position: Support if amended

The current language states, in part, "the city clerk shall use a form, and follow procedures, prescribed by the Commission." Staff has suggested alternative language, including that the bill should specify that the electronic filing system shall only accept a filing in the standardized record format that is developed by the Secretary of State and that is compatible with the Secretary of State's system for receiving an online or electronic filing. Staff encourages electronic filing, which increases transparency, and furthers the purposes of the Act.

AB 1509 (Hayashi)

Statements of Economic Interests – Local Agencies Posting Website Notification

Existing Law

Persons holding specified public offices are required to file Statements of Economic Interests (SEIs). Specified local elected officers file their SEIs with the city clerk or county clerk, who makes and retains a copy of each statement and forwards the original to the Commission, which acts as the filing officer for the SEIs.

Proposed Law

This bill would require a city or county clerk who maintains a website to post a notification on that website that identifies the elected officers who file SEIs with that clerk. The notification must include a statement that a copy of a SEI may be obtained by visiting the offices of the Commission or the city or county clerk, as appropriate. In addition, the bill would require that the notification include a link to the Commission's website and a statement that certain SEIs are available on the Commission's website.

Status: Assembly Elections and Redistricting Committee. Hearing is scheduled for March 27, 2012.

Estimated Fiscal Impact: Minor/Absorbable

Staff Recommended Position: Support

Although the impact to the Commission is minimal, staff believes the information required by this proposal would be helpful for the public and would further the purposes of the Act.

AB 1648 (Brownley)

Advertisement Disclosure

Existing Law

The Act requires that each slate mailer identify each candidate and ballot measure that has paid to appear in a slate mailer be designated by an asterisk. The Act also places certain disclosure requirements on advertisements for or against a ballot measure broadcast or mass mailing advertisements that are paid for by an independent expenditure to support or oppose a candidate or ballot measure. For example, a broadcast or mass mailing advertisement supporting or opposing a candidate or measure paid for by an independent expenditure must include the name of the two highest cumulative of \$50,000 or more.

Proposed Law

This bill would require that a candidate or ballot measure appearing in a slate mailer be designated by an asterisk if the slate mailer organization or committee primarily formed to support or oppose one or more ballot measures has received payment to include the candidate or measure. The bill also makes several significant changes to the advertisement disclosure rules, including the following: 1) Radio, TV, and video ads authorized by a candidate must include a statement saying he/she approved the ad; 2) Radio, TV, and video ads that are not authorized by a candidate must disclose the top three cumulative donors of \$10,000 or more and TV and video ads must also include logos, if any, of those donors; 3) The definition of "cumulative contribution" would be changed to include contributions received by a committee 18 months (instead of the current 12 months) prior to the date the committee made its first expenditure; and, 4) Except for committees that are controlled by a candidate, a committee that pays for an advertisement shall establish and maintain a "committee disclosure Internet Web site" with specified information.

Status: Assembly Elections and Redistricting Committee. Hearing is scheduled for March 27, 2012.

Estimated Fiscal Impact: \$790,000

Staff Recommended Position: Neutral

Staff supports additional disclosure related to advertisements; however, there are likely constitutional issues related to this proposal. In addition, the bill would create an unmet fiscal impact.

AB 1730 (Olsen)

Legislative Transparency Act

Existing Law

The Act imposes various reporting and disclosure requirements on contributions made to or received by candidates and candidate-controlled committees.

Proposed Law

This bill would require a Member of the Legislature or a controlled committee of a Member to report within 24 hours a contribution of \$100 or more received within the seven days prior to specified legislative deadlines for a regular session of the Legislature. In addition, the bill contains provisions outside of the Act, which would prohibit either house of the Legislature from voting on a bill until it has been available on a public website for at least 72 hours (unless the house dispenses this requirement by a 2/3 vote), and would require the Rules Committees to provide to each Member of the Legislature a monthly report of that Member's office budget.

Status: Assembly Elections and Redistricting Committee

Estimated Fiscal Impact: \$41,000

Staff Recommended Position: Support the PRA provision only; no position on other provisions

This measure provides additional transparency for contributions received by Legislators.

AB 1881 (Donnelly)

Disclosure Threshold for Non-Candidate Controlled Committees

Existing Law

The Act requires that all campaign committees disclose in campaign statements specified information, including the name and address of contributors of \$100 or more.

Proposed Law

This bill would prohibit a committee that is not controlled by a candidate from disclosing in a campaign statement the name and address of a person whose cumulative contributions to that committee are less than \$5,000.

Status: Assembly Elections and Redistricting Committee

Estimated Fiscal Impact: \$500,000

Staff Recommended Position: Oppose

This proposal would create less transparency and does not further the purposes of the Act. In addition, the bill would create an unmet fiscal impact.

AB 2054 (Fong) – spot bill

Civil Service Classification

This bill in its current form makes nonsubstantive changes to a provision of the Act.

Status: Assembly Elections and Redistricting Committee

Estimated Fiscal Impact: Minor/absorbable

Staff Recommended Position: None

This proposal currently does not contain substantive language.

AB 2062 (Davis)

Statements of Economic Interests – Electronic Filing

Existing Law

The Counties of Los Angeles, Merced, Orange, Santa Clara, and Ventura and the City of Long Beach are authorized to permit electronic filing of Statements of Economic Interests (SEIs) as part of a pilot project that is scheduled to end as of March 1, 2012.

Proposed Law

This bill contains an urgency clause so, if approved, the provisions will be effective immediately. It would allow all filing officers to permit the electronic filing of SEIs upon system approval and certification from the Commission. In addition, it would allow the agencies that are currently accepting SEIs electronically to continue to do so until their systems are certified by the Commission. Staff is working with the author's office to amend the proposal to include a provision, which states that the Commission shall accept electronic copies of SEIs forwarded by an agency that has received an electronically filed SEI.

Status: Assembly Elections and Redistricting Committee. Hearing is scheduled for April 17, 2012.

Estimated Fiscal Impact: \$179,000

Staff Recommended Position: Support

Although there will likely be some impact to the Commission, staff encourages electronic filing, which increases transparency, and furthers the purposes of the Act.

AB 2129 (Cook)

Enforcement of San Bernardino County Campaign Ordinance

Existing Law

The Commission has the primary responsibility for the impartial, effective administration and implementation of the Act, including acting as the civil prosecutor responsible for the enforcement of the penalty provisions of the Act.

Proposed Law

The Commission shall have primary responsibility for the impartial, effective administration, implementation, and enforcement of the Campaign Reform Ordinance of the County of San Bernardino upon adoption of an ordinance or resolution by the board of supervisors that makes the provisions applicable.

Status: Assembly

Estimated Fiscal Impact: Funding to the Commission from the county will be negotiated.

Staff Recommended Position: Support

Staff has worked closely with the author's office and the county and believes the Commission is the best agency to provide neutral, unbiased enforcement for the county's campaign reform ordinance.

AB 2162 (Portantino)

Statements of Economic Interests (SEI) – Fair Market Value

Existing Law

The SEI (Form 700) provides four options for reporting the fair market value of investments and interests in real property: \$2,000 - \$10,000; \$10,001 - \$100,000; \$100,001 - \$1,000,000; and over \$1,000,000. The following four options are provided for reporting gross income received: \$500 - \$1,000; \$1,001 - \$10,000; \$10,001 - \$100,000; and over \$100,000.

Proposed Law

This bill would revise the fair market value ranges to provide the following 8 options for investments and real property interests: \$2,000 - \$25,000; \$25,001 - \$100,000; \$100,001 - \$250,000; \$250,001 - \$500,000; \$500,001 - \$1,000,000; \$1,000,001 - \$5,000,000; \$5,000,001 - \$10,000,000; and more than \$10,000,000. It would also revise the "gross income received" ranges to provide the following 10 options: \$500 - \$1,000; \$1,001 - \$10,000; \$10,001 - \$25,000; \$25,001 - \$100,000; \$100,001 - \$250,000; \$250,001 - \$500,000; \$500,001 - \$1,000,000; \$1,000,001 - \$5,000,000; \$5,000,001 - \$10,000,000; and more than \$10,000,000.

Status: Assembly Elections and Redistricting Committee. Hearing is scheduled for April 17, 2012.

Estimated Fiscal Impact: Minor/absorbable

Staff Recommended Position: Neutral

Staff believes the current ranges for the disclosure of economic interests provides pertinent information that is useful to the public for purposes of the Act, without infringing on an individual's right to privacy.

AB 2191 (Norby)

County Central Committee Members

Existing Law

The definition of "elective office" expressly includes membership on a county central committee of a qualified political party.

Proposed Law

If this bill is passed by the Legislature and approved by the Governor, it shall be submitted to the voters for approval at a statewide election. The bill would revise the definition of "elective office" to exclude membership on a county central committee of a qualified party and would revise the definition of committee to exclude an entity that is primarily formed to support or oppose a person seeking election to a county central committee of a qualified party. The bill would also revise the definition of "committee" to exclude entities formed primarily to support or oppose a person seeking election to a county central committee. In addition, the bill would prohibit a local government agency from imposing filing requirements or contribution limits on elected members of, or candidates for election to, a county central committee of a qualified political party.

Status: Assembly Elections and Redistricting Committee. Hearing is scheduled for April 17, 2012.

Estimated Fiscal Impact: \$41,000

Staff Recommended Position: Neutral

This proposal does not significantly impact the Commission's duties.

AB 2220 (Gatto)

Ballot Pamphlets

Existing Law

The Legislative Analyst is required to prepare an impartial fiscal analysis of each initiative measure that is included in the ballot pamphlet stating whether the measure would increase or decrease any revenue or cost to state or local government. The Legislative Analyst must also prepare for inclusion in the ballot pamphlet a summary statement regarding the general meaning and effect of “yes” and “no” votes on each state measure.

Proposed Law

This bill would require, except as specified, that if a fiscal analysis prepared by the Legislative Analyst determines that a measure would provide an increase in revenues to fund new or existing programs, that specified language be added at the end of the “yes” and “no” summary statement in the ballot pamphlet, advising that unless changed by a future measure approved by the voters, the initiative would forever dedicate the revenue to program identified in the initiative.

Status: Assembly Elections and Redistricting Committee. Hearing is scheduled for March 27, 2012.

Estimated Fiscal Impact: Minor/absorbable

Staff Recommended Position: Neutral

This measure does not directly affect the Commission’s duties. Although this proposal amends a section of the Act, the affected section is included in Chapter 8, which contains requirements for the state ballot pamphlet and expressly states that it is the responsibility of the Secretary of State to prepare the state ballot statement. Chapter 8 of the Act includes the requirements for the contents, format, printing specifications, etc., of the state ballot pamphlet and the provisions parallel provisions in the Elections Code.

AB 2239 (Norby)

Repeals Campaign Contribution Limits and Requires 24-Hour Reporting for All \$100 Contributions

Existing Law

The Act imposes limits on contributions that may be made to, or accepted by, candidates for elective state office. The Act also limits contributions to officers of specified agencies from a party to a proceeding before an agency involving a license or permit. In addition, the Act requires candidates and committees to file specified campaign statements, including semiannual, pre-election, and late contribution reports.

Proposed Law

If this bill is passed by the Legislature and approved by the Governor, it shall be submitted to the voters for approval at a statewide election. The bill would repeal limitations on contributions that may be made to, or accepted by, candidates for elective state office. It would also repeal the requirements for most existing campaign filing requirements and would instead require a candidate or committee that makes or receives a contribution of \$100 or more report the contribution to specified filing officers within 24 hours. An expenditure of \$100 or more made by a candidate or committee is also required to be reported within 24 hours and if the expenditure is a contribution or an independent expenditure, the report shall also include the cumulative amount of contributions or independent expenditures made relative to a candidate or ballot measure.

Status: Assembly Elections and Redistricting Committee. Hearing is scheduled for April 17, 2012.

Estimated Fiscal Impact: \$1,000,000

Staff Recommended Position: Commission staff has not taken a position on this bill. While staff believes the additional disclosure in the bill should be supported, we are unable to recommend support of the bill in its current form with the other provisions. The bill also imposes significant unmet fiscal needs.

AB 2256 (Portantino)

California Legislature Whistleblower Protection Act

Existing Law

The California Whistleblower Protection Act prohibits a state employee from using his or her official authority or influence to discourage or retaliate against any person in order to interfere with the right of that person to disclose evidence of an improper government activity. The State Auditor is required to investigate disclosures of improper government activities.

Proposed Law

This bill would enact, and would require the Commission to administer, the California Legislature Whistleblower Protection Act (LWPA). The LWPA would prohibit a member or employee of the Legislature from directly or indirectly using or attempting to use his or her official authority or influence to retaliate, threaten, coerce, or engage in any similar improper act for the purpose of interfering with the right of an employee of the Legislature to make a protected disclosure of improper governmental activity or to refuse an illegal order, as defined. Upon receipt of an allegation, the Commission may investigate the matter or may refer the matter to the Senate or Assembly Committee on Rules, the Attorney General, or the appropriate district attorney. The Commission would not have enforcement power.

Status: Assembly

Estimated Fiscal Impact: \$670,000

Staff Recommended Position: Oppose

This bill would impose duties on staff that are outside the Commission's purview. In addition, the bill would create an unmet fiscal impact.

AB 2452 (Ammiano)

Campaign Statements – Electronic Filing for Local Agencies

Existing Law

Specified candidates, committees, slate mailer organizations, lobbyists, lobbying firms, and lobbyist employers are required to file statements and reports electronically with the Secretary of State. The Act requires some of these entities to also file campaign statements and reports with local filing officers, as specified.

Proposed Law

This bill would authorize a local government agency to require an elected officer, candidate, committee, or other person required to file specified statements or reports to file online or electronically with a local filing officer. Specified criteria must be satisfied by a local government agency, including that the system be available free of charge to filers and to the public for viewing the filings. The system must also include a procedure to comply with the requirement that filers sign statements and reports under penalty of perjury.

Status: Assembly Elections and Redistricting Committee. Hearing is scheduled for May 1, 2012.

Estimated Fiscal Impact: \$80,000

Staff Recommended Position: Support

Although there will likely be some impact to the Commission, staff encourages electronic filing, which increases transparency, and furthers the purposes of the Act.

AB 2503 (Norby) – spot bill

Income

This bill in its current form makes nonsubstantive changes to the Act's definition of "income."

Status: Assembly

Estimated Fiscal Impact: Minor/absorbable

Staff Recommended Position: None

This proposal does not currently contain substantive language.

AB 2691 (Assembly Elections) – clean up bill

This bill repeals three provisions of the Act, which are now obsolete – 84604, 84609, and 84610. Sections 84604 and 84609 relate to online or electronic disclosure requirements specific to the 1998 statewide general election and the 2000 statewide primary election. Section 84610 provides for a \$1,100,000 appropriation to the Secretary of State, which has been available for encumbrance for more than 3 years.

Status: Assembly Elections and Redistricting Committee

Estimated Fiscal Impact: Minor/absorbable

Staff Recommended Position: None